

COOPERATIVE INVESTMENT AGREEMENT

BY AND BETWEEN

THE STATE OF YAP, FEDERATED STATES OF MICRONESIA

AND

**CHENGDU CENTURY CITY NEW INTERNATIONAL
CONVENTION and EXHIBITION CENTER COMPANY LTD.**

AUGUST 11, 2012

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Whereas, based on the Strategic Framework Agreement which were executed between Chengdu Century City New International Convention and Exhibition Center Company and the Government of the State of Yap, Federated States of Micronesia on April 21st, 2011, the Government of the State of Yap and Chengdu Century City New International Convention and Exhibition Center Company reached a common understanding to develop a unique world renowned top grade tourism project, in accordance with an overall plan for the islands which are suitable for tourism facilities and products.

In furtherance to the common understanding, the Parties agree as follow,

I. DEFINITIONS AND INTERPRETATIONS

“Affiliate” of any entity means any other entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity.

“Agreement” means this Investment Agreement and any amendments or supplements to it made pursuant to its terms as well as all schedules and exhibits annexed to it.

“Business Day” means any day other than a Saturday or Sunday or a holiday declared by the Government of the State of Yap, the National Government, and the Government of People’s Republic of China.

“ETG” means Chengdu Century City New International Convention and Exhibition Center Company, Ltd and any subsidiary companies established by it in the State of Yap. ETG shall also be read, where necessary, to encompass all subsidiaries and Affiliates. Where this Investment Agreement is assigned to any other third party, the term “ETG” shall also apply to that third party.

“FSM” means Federated States of Micronesia.

“Infrastructure,” means the basic physical structures and facilities (such as road, water, electricity, sewage system, collection of waste and hospital) necessary to support and sustain development of the Project and/or the economic wellbeing and livelihood of the people, residents, and government of the State of Yap.

“Land” means any land in the State of Yap including any riparian rights that may be attached to a distinct and identifiable parcel of real property, and as applied to a single landowner and/or leaseholder of such identifiable property.

“Law” means any constitution, treaty obligation, law, statute, decree, rule, regulation, judicial act or decision, judgment, order, proclamation, directive, executive order or other sovereign act of the government of the State of Yap and the National Government other than this Agreement.

“Master Plan” means master plan developed by ETG for the Project.

“National Government” means the national government of FSM, including all of the branches, subdivisions, political subdivisions, instrumentalities, authorities and agencies of its government.

“Other Project Participant” means for the purpose of the objective of this Project, entities, other than ETG and its subsidiaries or Affiliates, which choose to involve with ETG’s operation of this Project through legal means, or other entities who participate in the development of Project after they are employed or authorized by ETG.

“Project” means the development project of tourism, commercial and real estate in accordance with the Master Plan within the State of Yap.

“State ” means the Government of State of Yap as represented by the Governor of the State of Yap, the Executive Branch and its divisions, political subdivisions, instrumentalities, authorities, agencies, and specifically limited to the scope of authority which the Governor may execute pursuant to the laws of the Constitution and the State of Yap.

II. OBJECTIVE OF THE PROJECT

The objective of this Project is to develop the State of Yap into a world renowned tourism destination, to realize the commercial interest of ETG, to further the economy of the State of Yap, and to increase local employment as well as the welfare of the local community in the State of Yap in general, provided that ETG and State shall take all actions necessary, including complying with the requirements of State and FSM environmental Laws and other applicable Laws, to ensure that the local culture, tradition, and environment shall be preserved during the whole term of this project.

III. CONTENT OF THE PROJECT

3.1 Master Plan and Approval

ETG shall develop this Project based on the Master Plan. Subject to review and approval of Master Plan first by the State in consultation with the Legislature and the Traditional Council of Chiefs, ETG shall have the right to develop the Project in accordance with Law and this Agreement, including without limitation, the construction, management and operation of this Project.

Both Parties agree to cooperate in good faith during the formulating, approving and implementing process of the Master Plan. Unless State has legitimate and reasonable grounds and notifies ETG by written notice, State shall not deny or delay the approval of the Master Plan.

3.2 Acquisition of Right to Land Use

ETG will acquire the right to Land use in the form of tract land lease within the State of Yap, during which, non-financial assistance shall be provided by the State in accordance with the Laws, regulations and policies of the State of Yap, including that, the State shall make reasonable and good faith attempts to improve or enter into the legal and regulatory processes involved in formulating and enacting more efficient methods by which the registration of land in the State of Yap operates.

Both Parties shall discuss in good faith the specific manner for the State to issue such instruments demonstrating ETG's legal rights of use and access to the leased property in a fashion not inconsistent with law or policy.

3.3 Establishment of Project Companies

For realizing the purpose of this Project, ETG shall cause and maintain at least one subsidiary organized under the Laws of the State of Yap and such subsidiary shall be authorized to accept service of process and notice of official documents on behalf of ETG as a whole. During the development of Project, ETG may eventually organize more subsidiaries as project companies to operate this Project. These project companies enjoy the same rights and duties, and obligations to perform under this Agreement with ETG.

Nothing in this section shall be interpreted to abrogate or lessen ETG, ETG's subsidiaries, or ETG's project companies' responsibility to comply with any applicable business laws and regulations of the State of Yap and the FSM, including the requirement to obtain a Foreign Investment Permit and/or a business license for

each, identifiable, business entity acting as a subsidiary and/or a “project company” of ETG.

3.4 Other Project Participants

ETG needs to introduce Other Project Participants for operating this Project. If required by the Law, Other Project Participants conducting business in Yap shall apply for a foreign investment permit, business license, and other permits as may be required by the Law.

ETG shall ensure that Other Project Participants follow the relevant Laws of the State of Yap and the Laws of the FSM and comply with promises undertaken by ETG as illustrated from Section 4.1 to 4.4. For such purpose, ETG shall obtain a written statement from Other Project Participants stating that they shall be bound by the Law of Yap and undertakings as stipulated in Section 4.1 to 4.4 of this Agreement. Under such condition, if ETG enjoys any beneficial policies under this Project, Other Project Participants shall enjoy the same beneficial policies.

3.5 Limitation on Development of Land and its Continental Shelf

ETG does not intend to nor will it engage or invest in any industrial and mining activities on or in the Land and its continental shelf under the Project, since such activities are inconsistent with the principle of self-sustainability underpinning the Project concept. Similarly, the State agrees that it will, in consultation with the affected traditional chiefs and landowners, and to the extent it can under the Law, take sufficient measures, such as exercising its executive powers, and submitting bills to the legislature for necessary amendments to the Law, to either prohibit industrial and mining activities on the Land and its continental shelf, or to regulate industrial and mining activities on the Land and its continental shelf to the extent reasonably necessary to prevent their adverse impacts on tourism development and the environment.

IV. Undertaking By ETG

4.1 Environmental Protection

ETG undertakes that prior to the development of this Project, ETG shall strictly comply with the FSM Environmental Protection Act and Environmental Quality Protection of State of Yap. ETG shall submit necessary environmental impact studies

to the State Environmental Protection Agency, and subject itself to monitoring and inspection by such agency in accordance with applicable current and future environmental Laws.

In the interests of obtaining a completely impartial, accurate, and reliable Assessment, such firm shall not have its corporate or business headquarters located within the political state known as the People's Republic of China.

4.2 Employment

ETG shall follow the Law of FSM and State of Yap in terms of employment. ETG shall employ and give preference to the employment of qualified citizens of the State of Yap. The fluency of certain languages will not be the key criteria for ETG and/or its subsidiaries to hire employees, unless fluency of specific language is identifiably critical to the execution of an employee's specific employee position. At all times ETG, and any Other Project Participants to which this Agreement is assigned, shall maintain an overall employment rate of not fewer than 20% being comprised of natural born citizens of the State of Yap, assuming that 20% qualified natural born citizens are available.

4.3 Use of Local Goods And Services

When purchasing goods and services related to ETG's developments of the Project, under the conditions that materials and goods produced in FSM and services provided by FSM citizens or residents, or entities incorporated or formed in FSM which are owned and/or constitute a joint business venture wherein a citizen of the State of Yap is a partner and/or a member of the Board of Directors are comparable in quality, terms, delivery, service, quantity and price to goods and services obtainable from other sources, ETG shall give preference to the maximum extent possible to such goods and services. ETG agrees to require its major contractors to follow the policy of the State of Yap to encourage the purchase of FSM goods and services as set forth in this section.

4.4 Respect of Traditional Custom and Local Interests of Yap

ETG understands the importance of protecting existing business interest and custom of local people in the State of Yap. Therefore ETG will cooperate in good faith with the State closely to ensure that the Project will bring overall positive effects to current



local business interests, as one of the stated objectives of this Project is to benefit customs, traditions, and the current business interests of local residents .

4.5 Infrastructure

ETG agrees to improve or build Infrastructure (without costs to the State of Yap) for the Project's sole use as well as to operate them for its own gain.

ETG recognizes that construction of the Project will inevitably place an inordinate strain on Yap's current infrastructure, specifically the use of large and/or multiple vehicles necessary to complete the Project's construction phase will strain Yap's roads beyond their current capacity. Therefore, ETG promises to work closely with the State to continuously monitor the damage to publicly accessible roadways caused by ETG's vehicles, to fund repair and maintenance of those public access roadways which are subject to the inevitable damage produced by ETG's construction, and to do all of this in a timely, reasonable manner. ETG further promises to continue to work closely with the State to maintain and improve those roads experiencing increased strain due to higher than usual traffic going and coming from ETG's facilities.

ETG acknowledges that nothing in this section shall allow it to create or maintain any structure or entity which would compete with any existing utilities provider, where such competition is prohibited by law.

4.6 Construction of Airport and Port Facilities

Both Parties agree that, based on the progress of Project and operating condition, ETG will upgrade the airport and seaport facilities. Upon the occurrence of such event, ETG and the State will negotiate specific matters and enter into separate agreements for construction, upgrades, and improvement of airport and seaport facilities, maintenance of such facilities subject to relevant Law. The standards of the designs, construction, maintenance, and operation of such facilities shall be in accordance with any State, FSM National, or US Federal requirements (if required by the Law).

Subject to applicable law, ETG shall have the right to use portions or sections of the airport facilities, which it improves or develop, and which shall be necessary for its commercial activities such as retail stores, restaurants, and coffee shops.

Unless the parties agree to otherwise and, to the extent not inconsistent with law, ETG, its subsidiaries, ancillary businesses, and/or Other Project Participants shall not be

considered to own or possess any improvement or permanent fixtures which are the results of the activities referenced in this section being carried out pursuant to this section and/or any further agreement between the Parties.

4.7 Public Interest

Upon signing of this Agreement, ETG shall immediately establish a specialized institution to conduct the following public interest works with non-financial assistance from State of Yap and based on the local needs:

(1) Medical Care

ETG agrees to improve local current medical condition of medical facilities through contributions of medical equipment, supplies, specialist personnel, and through the construction of a new Hospital. A new hospital shall be built by ETG with the level and scale of the hospital to be determined by good faith negotiation by the Parties. However, in the interests of public health, this hospital must be of a sufficient size and sophistication to meet the reasonably anticipated treatment needs of the maximum number of tourists ETG anticipates its collective tourist industry shall attract when operating at peak capacity combined with the pre-Development indigenous population of Yap. Expansion of this contemplated hospital and its available facilities must correspond with any expansion of the Project which will lead to an expansion of the number of possible tourists ETG's project may attract when operating at peak capacity.

This section and its provisions are specifically designed to assure that the State and its medical care facilities do not become overwhelmed at any time due to the influx of tourists. Neither ETG (including its subsidiaries, Affiliates, and/or Other Project Participants) nor the State may create and operate a health care facility which unreasonably denies access and/or treatment to any person located within the borders of the State of Yap. This section shall not deny a private entity from creating a health care facility which operates on a for-profit basis. Nor shall it, in any way, restrict or impair the authority of the Governor of the State of Yap to act, pursuant to the laws of the State of Yap, during a State of Emergency.

(2) Career Training



ETG promises to provide continuing training for its local employees during the development of the Project so as to provide them the opportunities to obtain the skills necessary to qualify for management and upper-management positions.

(3) Education

ETG agrees to contribute funds to aid in the development of public education in the State of Yap. The specifics of such contribution shall be determined by good faith and timely negotiations between both Parties.

(4) Trust Fund

ETG shall establish and maintain a Trust Fund (the "Fund") for the benefit of the people of Yap and to support the education, health, and well-being of the people of Yap. Pursuant to this Agreement, the Governor of the State of Yap and ETG shall work together, in good faith, to establish a 5 member Board of Directors to oversee and administer the Fund.

The Governor shall appoint two (2) representatives to the Board, ETG shall also appoint two representatives to the Board, and both Parties shall engage in good faith negotiations for the selection of a fifth, and final, Board member. The Board shall be charged with creating those rules/regulations which are required by Yap State law for the operation of the Fund, overseeing the Funds operating costs, creating programs designed to aid the people of the State of Yap in the areas of education, healthcare, general welfare, and social advancement, and any other business necessary and relevant to the operation of the Fund. The Fund may be subject to yearly audits by the Office of the Public Auditor of the State of Yap and pursuant to the Laws of the State of Yap and the FSM. The monetary amount of the Fund shall be determined at a later date by way of good faith negotiations between the State and ETG.

All Parties to this Investment Agreement hereby agree that the terms, conditions, and goals set forth in this section 4.7(4) shall be enshrined in any enabling documents upon which the Trust Fund shall be based, including, but not limited to Articles of Incorporation, business license filings/applications, bylaws, etc.



(5) Other Contributions

ETG agrees to fund the creation of a new public park and a new state capitol. The land for such park and state capitol shall be provided by the State. The size and design of these two structures shall be negotiated at a later date and in good faith. The Parties hereby agree that the new state capitol building shall be of an adequate size and design to comfortably house Yap State Government's Executive Branch, Legislative Branch, Judicial Branch, Council of Pilung, and Council of Tamol.

V. Undertaking By State

5.1 Approval and Consent

Unless State has legitimate and reasonable grounds and gives written notice to ETG or Other Project Participants, the State shall not deny or delay any approval or consent for the development of this Project.

If the power to implement, approve and consent resides with the National Government, the State shall use best efforts to communicate with the National Government, as the case may require, to get its approval and consent.

In the event that the application for approval or consent by ETG or Other Project Participants, as may be required by Law or contract, is being unreasonably delayed or denied, the Governor shall, upon written notice of such unreasonable delay or denial, promptly take such actions as may be necessary to have such approval and consent issued without unnecessary delay.

5.2 New Laws

The State undertakes to procure the,

(1) addition, amendment or passage of applicable Law or implementation of necessary policies in such areas as foreign direct investment, tax, tariff, tax free zone, labor, landing, exchange control, immigration and the implementation-related areas of the Project in order to create a more favorable legal environment for tourism, commercial and real estate development projects, all of which shall be subject to the law-making process of the State.



(2) In the event that a change of the material laws in Yap, on which the feasibility of tourism development projects are based, create conditions which render the continuation of tourism, commercial and real estate development projects with profitability impossible for tourism, commercial and real estate developers, then the State undertakes, using best judgment and to the extent it can under the Law, to promptly implement such measures, including, but not limited to, adoptions or amendments to policies and regulations and seeking necessary amendments to the law, which are reasonably aimed at reversing such conditions. However, nothing in this Section shall be read to impair or restrict the Governor's emergency authority or power under the Constitution of the State of Yap. Nothing in this section shall be construed to force the State or any administrative agent to undertake any action which is reasonably determined to be detrimental to the public good.

(3) If the power to amend or pass a Law as described in Section 5.2(1) above resides with the FSM Congress or the State Legislature, the State shall exercise best effort to communicate with the FSM Congress or the State Legislature, whichever may be appropriate, to promote the enactment of such amendments to Law or passage of such new Laws.

5.3 Employment

Subject to applicable Law and Section 4.2 of this Agreement, ETG and Other Project Participants shall be able to employ, without limitation, the personnel of their choice, on the basis of the requirement which they may freely stipulate. The State undertakes, to the extent it can under the Law, to take all necessary measures, to ensure ETG and Other Project Participant have the employment rights hereunder.

5.4 Project Assets

ETG or Other Project Participant shall have the exclusive right and the entire freedom to hold, operate, maintain, use, benefit from and dispose of all the assets linked to the Project (excluding leased land), either as an owner or otherwise and to organize its business according to its best interests.

Unless otherwise provided by the Constitution of the FSM or the State of Yap, the State shall neither expropriate nor nationalize all or part of the assets of ETG or Other Project Participant, whether directly or indirectly or through the implementation of a

rule, legislation or judicial decision or by entering into agreement with any third party, which would have the effect of expropriating or nationalizing all or part of the assets, or disturbing the full and exclusive enjoyment by ETG or Other Project Participant of the right expected from the Project.

As set forth in other sections, nothing in this Investment Agreement shall be read or understood to grant ETG, its subsidiaries, project companies, and/or Other Project Participants any ownership interest in any improvement to any infrastructure or public building which could, pursuant to the law, be construed as an "asset" as used in this section.

VI. LIABILITIES AND INDEMNITIES

6.1 ETG Indemnity

Subject to the Law, ETG and Other Project Participants shall indemnify, defend, and hold harmless the State of Yap, from and against any and all liabilities, losses, expenses, and claims for personal injury or property damage or any penalties or fines that arise from or out of ETG's negligent acts or omissions in the performance of its obligations hereunder. Without limitation to the foregoing, ETG shall indemnify and keep indemnified the State of Yap for any breach by ETG of any of the terms, representations and warranties contained herein.

6.2 Government Indemnity

Subject to Section 8.5 of this Agreement, the State of Yap shall indemnify, defend, and hold harmless ETG, from and against any and all liabilities, losses, expenses, and claims for personal injury or property damage or any penalties or fines imposed on ETG that arise from or out of the State of Yap's negligent acts or omissions in the performance of its obligations hereunder. Without limitation to the foregoing, the State of Yap shall indemnify and keep indemnified ETG for a breach by the State of Yap of any of the terms, representations and warranties contained herein.

VII. FORCE MAJEURE

7.1 Definition

The term "Force Majeure" as used in this Agreement shall mean acts of war, invasions, hostilities (whether war is declared or not), riots, acts of terrorism, strikes and/or other industrial, labor or employer-employee disputes (if not cured for a period

of more than two months), epidemics, public health emergencies and any similar cause, provided any such cause was not within the reasonable control of the Party claiming the benefit of Force Majeure and could not have been avoided or overcome by such Party through the exercise of due diligence.

7.2 Application

The Party shall give notice and update information in writing to the other Party as soon as practicable after the occurrence of the cause. All time periods specified in this Agreement for the performance of obligations or the enjoyment of rights that are affected by Force Majeure shall be extended until the effect of such Force Majeure is remedied.

7.3 Satisfactory Solution

If an event of Force Majeure continues for longer than three (3) months, ETG and the State shall enter into good faith discussions to determine whether a mutually satisfactory solution exists. If the Parties fail to reach a mutually satisfactory solution, then the provisions of Section 7.4 shall apply.

7.4 Termination

If a Party is unable to perform its obligations under this Agreement as a result of Force Majeure for a period exceeding six (6) Months, then either Party may terminate this Agreement by the issuance of a written notice.

VIII. GOVERNING LAW AND DISPUTE RESOLUTION

8.1 Governing Law

This Agreement shall be governed and interpreted in accordance with and shall be given effect under applicable Laws of FSM and Yap State.

8.2 Two-Tiered Dispute Resolution

Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement and the activities carried out hereunder, including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement, shall be exclusively and finally settled pursuant to the provisions of this section.



The Parties hereby agree to settle disputes between themselves by way of the dispute resolution scheme set forth within this specific section. Disputes shall be classified as either "simple" or "complex" and these classes shall not be based upon the common definition of either "simple" or "complex," but rather the definition and description of each term set forth below:

A claim shall be classed as "simple" if (A) the amount reasonably in dispute (exclusive of costs and/or attorneys' fees) does not exceed USD \$100,000, (B) resolution of the claim requires a determination as to ownership, title, or the existence of any lien, encumbrance, or traditional/cultural obligation on any parcel(s) of real property located within the State of Yap, and/or (C) the State Courts of Yap determined that the joinder of private Yapese citizens and/or residents is essential to resolution of a party's claim.

Any claim not determined to be "simple" shall be classed as "complex."

Those claims classed as "simple" shall be subject to the jurisdiction of the Courts of the State of Yap and/or the FSM.

Regarding all claims classed as "complex", the Parties hereby consent to submit to the International Centre for Settlement of Investment Disputes (hereinafter the "ICSID"), any Dispute arising out of or relating to this Agreement which has not been amicably reconciled for settlement by arbitration pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States which entered into effect in the Federated States of Micronesia on July 24, 1993. The Parties agree to make all requests and bids to the ICSID and to take all other actions and provide all data which may be required for the setting-up of this arbitration proceeding. The Parties agree as follows:

1) It is hereby stipulated by the Parties that ETG and Other Project Participants from China is incorporated under the laws of PRC which has been a Contracting State of the ICSID Convention since February 06, 1993.

2) It is hereby agreed that the right of ETG to refer a Dispute to ICSID pursuant to this Agreement shall not be affected by the fact that ETG has received full or partial compensation from any Third Party with respect to any loss or injury that is the subject of the Dispute.



3) It is hereby agreed that the right of the State to refer a Dispute to ICSID pursuant to this Agreement shall not be affected by the fact that the State has received full or partial compensation from any Third Party with respect to any loss or injury that is the subject of the Dispute.

4) The arbitration shall take place in Singapore, or such other place as the Parties may agree, and shall be conducted in the English language.

5) The arbitral tribunal shall be composed of three (3) arbitrators. Each Party shall appoint one (1) arbitrator and the third arbitrator, who will act as chairman of the tribunal, shall be appointed by the two (2) other arbitrators which shall have been so appointed. The chairman of the arbitral tribunal shall be of a nationality which is different to that of the Parties to the Dispute. Failing the appointment of an arbitrator or an agreement on the third arbitrator, the provisions of Article 38 of Convention on the Settlement of Investment Disputes between States and Nationals of other States shall apply.

6) Notwithstanding the filing of a “simple” claim with the State Courts of either Yap and/or the FSM or a “complex” claim dispute at arbitration, none of the Parties may either interrupt or delay the performance of this Agreement, nor encourage a delaying action for any reason whatsoever and each Party shall take all useful measures for impeding or terminating such an action.

7) The tribunal shall fix the costs of arbitration in its award. The costs of arbitration shall be borne by the unsuccessful party.

8) At least 60 days prior to the filing of either a simple claim subject to the jurisdiction of the Yap/FSM Courts and/or a complex claim subject to arbitration, all Parties agree that they will make reasonable attempts to resolve the dispute without resorting to the filing of any type of claim.

9) Upon learning of an injury or harm, the aggrieved Party shall notify the other party, in writing, of the perceived injury/harm and set forth its reasons for believing that the non-aggrieved Party caused the harm and is legally responsible for the injury. The Office of the Attorney General shall receive notifications under this section and ETG shall promptly notify the

Attorney General of the identity of who shall receive notifications on behalf of ETG.

8.3 Mutual Consultation

If either Party believes that a Dispute exists, it may deliver a notice to the other Party requesting that the Dispute be referred to authorized representatives of ETG, its Subsidiary, their Affiliated Companies and/or Other Project Participants or Office of the Attorney General. The authorized representatives of Office of the Attorney General shall meet with the authorized representatives of ETG, its Subsidiary, their Affiliated Companies and/or Other Project Participants as frequently as possible, and shall attempt in good faith to use their best efforts to resolve the Dispute. Notice of dispute and participation in good faith negotiations under this section shall toll any applicable statute of limitations regarding any claim or right any Party participating in such negotiations may enjoy under the Law, including this Agreement.

8.4 Notice of Injury or Harm

Upon learning of an injury or harm, the aggrieved Party shall notify the other party, in writing, of the perceived injury/harm and set forth its reasons for believing that the non-aggrieved Party caused the harm and is legally responsible for the injury. The Office of the Attorney General shall receive notifications under this section and ETG shall promptly notify the Attorney General of the identity of who shall receive notifications on behalf of ETG.

8.5 Sovereignty Immunity and Arbitration Award

Subject the Government Liability Act of 1986, the State, within the context of arbitration, waives its right to invoke immunity from jurisdiction and execution of the arbitration award. However, ETG, its subsidiaries, project companies, and any other party to which this Agreement may be assigned, acknowledges that the authority to waive Sovereign Immunity in any form or fashion very likely resides with the Legislature of the State of Yap and in order to effect such a waiver, affirmative Legislative action must be taken.

8.6 Authority of the Courts of the State of Yap

Nothing in this Agreement shall be construed or interpreted to divest the State Court of Yap of its sole and unique authority to hear and rule on questions regarding



disputes surrounding the Constitution of the State of Yap or the extent/limitations of authority of the separate branches of the Yap State Government, including, but not limited to, determining issues related to the Separation of Powers between the Executive, Legislative, and Judicial branches of Government, and/or the authority of the Councils of Pilung and Tamol.

8.7 Constitutional Supremacy

No obligation, promise, assent, or term, whether substantive, procedural, or neutral shall be considered enforceable by any judicial body or dispute resolving institution where such obligation, promise, assent, or term is determined to conflict with the Constitution of the State of Yap and/or the FSM Constitution.

IX. MISCELLANEOUS

9.1 Amendments

This document may be amended by agreement of the Signatory parties only. No change, amendment, or modification of this Agreement shall be valid or binding upon the Parties hereto unless such change, amendment, or modification shall be in writing and duly executed by the Parties. If this Agreement is assigned to any third party and/or any Other Project Participant who may claim a benefit or obligation pursuant to this Agreement, then the decision to amend the same shall be binding upon these interested parties as if they were also a signatory to this original Investment Agreement. Any party/assignee to which this document is assigned pursuant to the requirements of section 9.3 shall hereby waive any right to formally protest or contest any amendment to this document executed pursuant to this section.

9.2 Approval by Legislature

Those warranties or undertakings in this Agreement which State does not have power to make under the current Law shall be effective only upon legislative approval. Wherever in this document, the State has assented to perform a specific obligation and where such obligation shall be determined to be outside the State's legally determined realm of authority under the Laws and Constitution of the State of Yap or the Laws and Constitution of the FSM, such an assent shall not be construed as a fraudulent, willfully negligent, or negligent act.

9.3 Assignment



Subject to Sections 3.4 and 9.1, this Agreement may be assigned to other parties only upon delivery to the assignor and the State of an agreement, in writing, of the assignee to assume the liabilities of the assignor under the Agreement. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit and responsibility of the assignee. Any assignment not in accordance with the provisions of this Section shall be void and without force or effect.

9.4 Severability

The invalidity of one or more phrases, sentences, clauses, sections or articles contained in this Agreement shall not affect the validity of the remaining portions of this Agreement so long as the material purposes of this Agreement can be determined and effectuated.

9.5 Regular Communication Scheme

For the purpose of better development of the Projects, a regular communication scheme shall be adopted by the Parties so that the Parties will meet regularly every half year to discuss and review the performance of this Agreement. Pursuant to each meeting, a written report shall be generated by the State memorializing the issues, topics, and conclusions of the meeting and shall be formally transmitted for consideration to the Speaker of the Yap State Legislature within 30 days after each half year meeting by the Parties.

9.6 Language

This Agreement is executed in both English and Chinese. The English language version shall control in any dispute arising between any primary or ancillary party to this Agreement.

9.7 Multiple Copies

This Agreement is executed in eight (8) duplicates with each of the equal legal effect. Each Party shall have four (4) duplicates.

9.8 Superseding Authority

Wherever any conflict arises between this agreement and the language and obligations contained within any document previously signed by the parties, all parties agree that



this Cooperative Investment Agreement shall control and supersede any contrary and/or similar language to the extent of the conflict.

X. EFFECTIVENESS

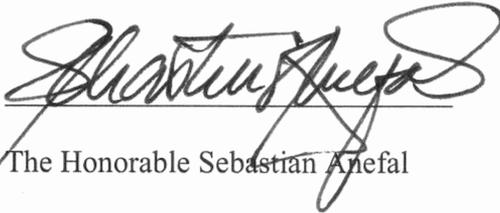
10.1 Binding and Effective

This Agreement shall become effective upon both Parties signatures, and Chinese competent authority's approval of this Agreement.

SIGNATORY PARTIES TO THE COOPERATIVE INVESTMENT AGREEMENT

Governor of the State of Yap:

Date:

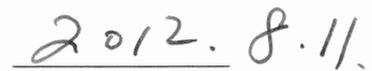


The Honorable Sebastian Anefal



Legal Representative of ETG

Date:



Mr. Deng Hong

The Location Whereupon this Agreement was signed by the above referenced party is:

Colonia, Yap, FSM